

# Frankfurt | Hotel

## Market Report 2023 | 2022 Q1-Q4

### Market overview

Frankfurt, which is the main hub of the Frankfurt/Rhine-Main metropolitan region, is the largest city in the state of Hesse. The city's hotel market was booming until the onset of the pandemic. Demand, however, rose again significantly in 2022. Nevertheless, in a comparison of Germany's top 7 cities, Frankfurt is still in the lower ranks.

### Hotel market availability

Frankfurt's commercial lodging market boasts 276 establishments with a total 58,235 beds or an average of 211 beds per establishment. Frankfurt boasts the largest number of establishments on average compared to Germany's other top 7 cities.

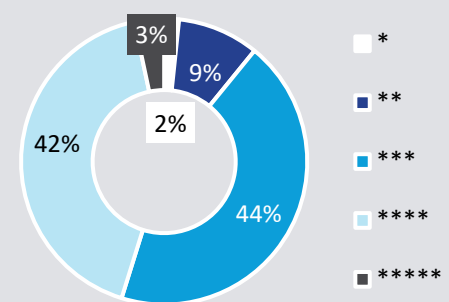
A look at the supply trend in the city shows a 4.5% yoy increase in the number of beds, indicated a gradual return to pre-pandemic levels (2019: 59,781).

#### Overall market KPIs & trend yoy

|                            |           |            |
|----------------------------|-----------|------------|
| Open establishments        | 276       | +0.4%      |
| Available beds             | 58,235    | +4.5%      |
| Check-ins                  | 4.75 mil. | +122.3 %   |
| Overnight stays            | 8.60 mil. | +105.4%    |
| Average stay               | 1.9 days  | +0.2 days  |
| Average bed occupancy rate | 40.5%     | +16.5% ppt |

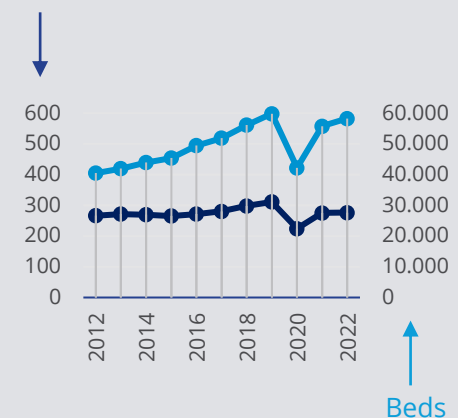
In the star-rated segment, there were only slight shifts compared with the previous year. The 4-star segment recorded slight losses, whereas the share of 2 and 3-star establishments grew slightly. Nevertheless, the hotel market for star-rated establishments remained dominated by the mid-range star segment.

#### Hotel market share by segment



#### Trend in accommodation availability

##### Accommodation level



# Hotel and hotel garni performance

| Hotel KPIs & trend yoy     |           |            |
|----------------------------|-----------|------------|
| Open establishments        | 104       | +19.5%     |
| Available beds             | 31,839    | +23.8%     |
| Check-ins                  | 2.72 mil. | +119.2%    |
| Overnight stays            | 4.50 mil. | +115.8%    |
| Average bed occupancy rate | 38.7%     | +16.5% ppt |

| Hotel garni KPIs & trend (yoy) |           |            |
|--------------------------------|-----------|------------|
| Open establishments            | 142       | +4.4%      |
| Available beds                 | 22,322    | +18.6%     |
| Check-ins                      | 1.95 mil. | +122.4 %   |
| Overnight stays                | 3.44 mil. | +98.6%     |
| Average bed occupancy rate     | 42.2%     | +17.0% ppt |

Frankfurt am Main has some exciting hotel openings scheduled for the next few years. Here are some examples:

- Super 8 by Wyndham Frankfurt 288 rooms – opening 2023
- Hyatt House Frankfurt City Goetheplatz 189 rooms – opening 2023
- Zleep Hotel Frankfurt Airport 165 rooms – opening 2024
- Steigenberger Kongress Hotel Frankfurt Airport – opening 2024

## Hotel market demand

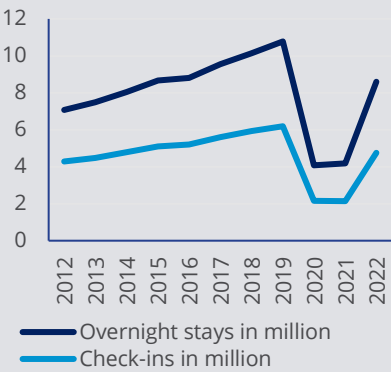
Compared to the previous year, the number of check-ins in Frankfurt(+122.3%) experienced a steeper increase than overnight stays (+105.4%). This points to a slight decline in length of stay, which suggests that business travelers are once again more strongly represented.

The Frankfurt commercial lodging market has recovered significantly with a total 8.6 million overnight stays. Frankfurt, however, has yet to catch up to its 2019 levels (overnight stays in 2019: 10.8 million). Full-service hotels and hotel garnis are still below pre-pandemic levels at 27% and 15.9%, respectively.

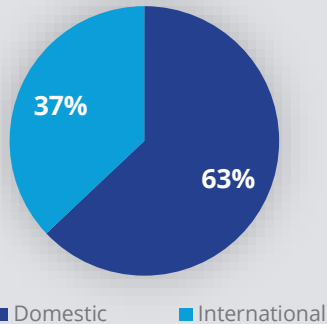
While domestic demand had already picked up significantly in the previous year, foreign demand also picked up in 2022, increasing the share of overnight stays booked by international guests 6 percentage points to 37%.

The (scheduled) new openings in the city indicate that operators are still interested in increasing the number of available beds. More hotels with high capacity opened in 2022/early 2023. The convention and conference hotel by Steigenberger is a prime example of a high-capacity hotel development. The hotel will feature 527 rooms and is scheduled for completion in 2024. In addition to new hotels, some serviced apartments are also being planned. Remote work and individual work solutions are becoming more popular, which is why serviced apartments are increasingly in demand and establishing themselves on the German market.

Trend in demand for accommodation



Demand in overnight stays



## Hotel performance

With an average room occupancy rate (OCC) of 52.4%, Frankfurt only managed to claim second-to-last place ahead of Stuttgart in 2022. Despite the rise in demand, it will take some time before Frankfurt again closes in on pre-pandemic levels (OCC 2019: 66.4%).

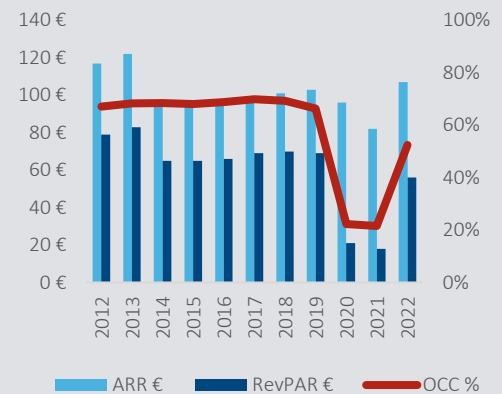
The average room rate (ARR) increased by €25 yoy to €107, the highest posted in the past nine years. That put Frankfurt in third place in 2022, neck-and-neck with Hamburg and trailing only Munich (€125) and Berlin (€111).

Despite the sharp rise in room rates, average revenue per available room (RevPAR) remained relatively low at €56. Only Stuttgart generated a lower RevPAR result.

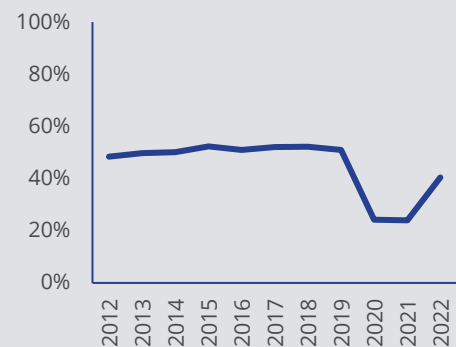
## Outlook

Like all of Germany's top 7 cities, Frankfurt's hotel market posted better results in 2022 than in 2021. We can generally assume that the market will continue to recover. In addition to business travel, which is important for Frankfurt, and the number of air passengers arriving in the city, Frankfurt should consider improving its offer to encourage people to visit the city for short stays. That would make Frankfurt more resilient to demand shocks in certain industries.

### Hotel performance



### Bed occupancy rate



## Definitions

**Accommodation establishment** = The term accommodation establishment refers to the full spectrum of lodging offers. Accommodation establishments offer tourists and business travelers a place to spend the night.

### Hotel

Hotels are accommodation establishments with a reception desk, services, daily room service, additional facilities and at least one restaurant for guests and visitors. A hotel typically has more than 20 rooms.

### Hotel garni

A hotel garni is a hotel that offers lodging, breakfast, beverages and, at most, snacks.

### Bed occupancy rate

Bed occupancy rate refers to the ratio between the actual number of overnight stays and the number of overnight stays that is theoretically possible. The number of theoretically possible overnight stays is based on the number of available beds and the hotel's days of operation.

### Occupancy

Occupancy refers to the ratio between the number of booked rooms and total rooms available.

# Market overview: Q1 – Q4 2022

## Performance

| Kennzahlen<br>KPIs <sup>1</sup>   | Deutschland<br>Germany | Berlin<br>Berlin | Düsseldorf<br>Dusseldorf | Frankfurt<br>Frankfurt | Hamburg<br>Hamburg | Köln<br>Cologne | München<br>Munich | Stuttgart<br>Stuttgart |
|-----------------------------------|------------------------|------------------|--------------------------|------------------------|--------------------|-----------------|-------------------|------------------------|
| Average occupancy<br>Occupancy Ø  | 57.5%                  | 65.1%            | 55.3%                    | 52.4%                  | 66.6%              | 61.1%           | 58.7%             | 49.8%                  |
| Veränderung Vorjahr<br>Change yoy | 26.2% ppt              | 33.2% ppt        | 30.1% ppt                | 30.9% ppt              | 33.3% ppt          | 30.3% ppt       | 32.3% ppt         | 24.6% ppt              |
| ZimmerpreisØ<br>Average room rate | €105.00                | €111.00          | €103.00                  | €107.00                | €107.00            | €101.00         | €125.00           | €93.00                 |
| Veränderung Vorjahr<br>Change yoy | 26.3%                  | 34.3%            | 25.8%                    | 29.9%                  | 28.3%              | 19.7%           | 44.0%             | 18.4%                  |
| Zimmerertrag Ø<br>Average RevPAR  | €61.00                 | €72.00           | €57.00                   | €56.00                 | €71.00             | €62.00          | €73.00            | €46.00                 |
| Veränderung Vorjahr<br>Change yoy | 130.7%                 | 166.8%           | 167.4%                   | 194.1%                 | 148.6%             | 133.4%          | 205.3%            | 156.7%                 |

## Hotel market

| Kennzahlen<br>KPIs <sup>1</sup>                 | Deutschland<br>Germany | Berlin<br>Berlin | Düsseldorf<br>Dusseldorf | Frankfurt<br>Frankfurt | Hamburg<br>Hamburg | Köln<br>Cologne | München<br>Munich | Stuttgart<br>Stuttgart |
|-------------------------------------------------|------------------------|------------------|--------------------------|------------------------|--------------------|-----------------|-------------------|------------------------|
| Beherbergungsbetriebe<br>Lodging establishments | 50,228                 | 729              | 212                      | 276                    | 425                | 262             | 458               | 161                    |
| Veränderung Vorjahr<br>Change yoy               | -1.0%                  | 3.6%             | 3.9%                     | +0.4%                  | 1.9%               | 0.8%            | 7.8%              | -3.6%                  |
| Bettenangebot<br>Available beds                 | 3,210,389              | 145,051          | 33,811                   | 58,235                 | 77,212             | 35,905          | 92,240            | 23,131                 |
| Veränderung Vorjahr<br>Change yoy               | 3.2%                   | 3.1%             | 15.7%                    | 4.5%                   | 2.7%               | 5.4%            | 4.6%              | -0.8%                  |
| Gästeankünfte<br>Check-ins                      | 163.0 mil.             | 10.4 mil.        | 2.5 mil.                 | 4.8 mil.               | 6.8 mil.           | 3.2 mil.        | 6.9 mil.          | 1.7 mil.               |
| Veränderung Vorjahr<br>Change yoy               | 68.4%                  | 103.3%           | 117.1%                   | 122.3%                 | 105.2%             | 116.3%          | 124.1%            | 118.4%                 |
| Übernachtungen<br>Overnight stays               | 450.7 mil.             | 26.5 mil.        | 4.3 mil.                 | 8.6 mil.               | 14.7 mil.          | 5.6 mil.        | 16.0 mil.         | 3.3 mil.               |
| Veränderung Vorjahr<br>Change yoy               | 45.3%                  | 90.0%            | 119.8%                   | 105.4%                 | 94.6%              | 103.0%          | 101.5%            | 102.9%                 |

## Location

| Kennzahlen<br>KPIs <sup>1</sup>                                                                             | Deutschland<br>Germany | Berlin<br>Berlin | Düsseldorf<br>Dusseldorf | Frankfurt<br>Frankfurt | Hamburg<br>Hamburg | Köln<br>Cologne | München<br>Munich | Stuttgart<br>Stuttgart |
|-------------------------------------------------------------------------------------------------------------|------------------------|------------------|--------------------------|------------------------|--------------------|-----------------|-------------------|------------------------|
| Einwohner<br>Population <sup>2</sup>                                                                        | 83.2 mil.              | 3.7 mil.         | 619,000                  | 759,000                | 1.9 mil.           | 1.1 mil.        | 1.5 mil.          | 626,000                |
| Arbeitslosenquote<br>Unemployment rate <sup>1</sup>                                                         | 5.7%                   | 9.2%             | 6.8%                     | 5.9%                   | 7.3%               | 8.6%            | 4.5%              | 4.8%                   |
| Sozialversicherungspflichtig<br>Beschäftigte<br>Salaried<br>employees <sup>2</sup>                          | 34.4 mil.              | 1.7 mil.         | 0.4 mil.                 | 0.6 mil.               | 1.0 mil.           | 0.6 mil.        | 1.2 mil.          | 0.6 mil.               |
| Verfügbares Einkommen<br>der privaten Haushalte pro<br>Kopf<br>Disposable income per<br>capita <sup>3</sup> | €23,916                | €21,745          | €26,729                  | €24,246                | €25,285            | €23,703         | €31,859           | €26,503                |
| Flughafenpassagiere<br>Airline passengers <sup>4</sup>                                                      | 165.1 mil.             | 19.8 mil.        | 16.1 mil.                | 48.8 mil.              | 11.1 mil.          | 8.7 mil.        | 31.6 mil.         | 7 mil.                 |

1 In December of the year of this report | 2 In June of the previous year | 3 In 2020 | 4 Arr. + Dep. in 2022



Colliers International

# Colliers Global 2022

66

Countries

€4.2bn

Revenue

18,000

Employees

186 million

sqm under management

51,000

Deals

€91bn

Total transaction volume

## Contact

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